

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7500**

**BILL NUMBER:** HB 1507

**DATE PREPARED:** Jan 8, 2001

**BILL AMENDED:**

**SUBJECT:** IURC Enforcement Authority.

**FISCAL ANALYST:** John Parkey

**PHONE NUMBER:** 232-9854

**FUNDS AFFECTED:**     **GENERAL**  
                              **X DEDICATED**  
                              **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill gives the Indiana Utility Regulatory Commission (IURC) authority to impose specified penalties on a utility that violates Indiana utility law or fails to comply with an order of the commission or a division of the Commission. The bill provides for the deposit of revenue collected through monetary penalties in a regulatory personnel fund for hiring and training of commission regulatory staff. The bill establishes the Regulatory Personnel Fund and appropriates money in the fund for the hiring and training of commission regulatory staff.

The bill repeals a superseded statute relating to the commission's enforcement powers.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** This proposal extends the IURC's enforcement power over certain regulated Indiana utilities. The proposal would give the IURC the ability to: impose civil penalties, issue cease and desist orders, and modify permits issued by the Commission. Under current law, the IURC can only revoke a certificate or permit. While this bill would make more options available to the IURC in the event of a violation or act of noncompliance, it should not require any additional procedures or expenditures for the Commission.

The proposal also authorizes the Attorney General to bring an action in a court that has jurisdiction over the noncompliant utility. If more legal actions are sought, the administrative burden of the Attorney General's office may increase.

**Explanation of State Revenues:** Under this bill, the IURC could impose a civil penalty of up to \$ 25,000 for each violation or fine the utility not more than 15% of the utility's gross annual intrastate operating revenue (as reported in the most recent *IURC Public Utility Fee Report*) or both for certain violations or acts of noncompliance.

Civil penalties would be deposited into the Regulatory Personnel Fund, created by the bill. Any money in the fund would be used for the hiring and training of additional regulatory staff. The number of instances in which the IURC would impose monetary penalties is not known.

**Explanation of Local Expenditures:** This bill increases the monetary liabilities of municipally owned utilities that violate the Commission's rules or decisions.

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Utility Regulatory Commission; Office of the Utility Consumer Counselor; Office of the Attorney General; Treasurer of State.

**Local Agencies Affected:** Municipally owned utilities.

**Information Sources:** Mike Leppert, Executive Director of External Affairs, IURC, (317) 232-2714.